



# SIMON SUSTAINABILITY REPORT 2015

TABLE OF CONTENTS

About this Report	3
Letter from Our CEO	4
About Simon	5
Stakeholder Engagement & Materiality	8
Sustainability Framework	10
Sustainability Goals	11
Focus Areas	12
Properties	12
Energy	12
Water	14
Waste	15
Customers	16
Communities	18
Employees	20
Sustainability Governance	22
Recognition	23
Appendix	24
Global Reporting Initiative Content Index	25
Assurance Statement	39

ABOUT THIS REPORT

We are proud to present Simon’s Sustainability Report 2015 providing updates on Simon’s ongoing sustainability efforts and achievements. This report includes information from Simon properties in the U.S. which include Malls, Simon Premium Outlets®, and The Mills®.

Reporting Period and Guidelines

The information disclosed in this report is based on 2014 data for the year ending on December 31, 2014. The scope of this report is focused on properties directly managed and owned by Simon in the U.S. This report contains Standard Disclosures from the Global Reporting Initiative (GRI) Guidelines and has been prepared in accordance with GRI version G4 core reporting requirements. For ease in navigation, the GRI Content Index is available at the end of this report.

More Information and Questions

For additional sustainability information, we invite readers to visit our website, [simon.com/sustainability](http://simon.com/sustainability). Questions can be directed to [sustainability@simon.com](mailto:sustainability@simon.com).





LETTER FROM OUR CEO

I am very pleased to present to you Simon’s 2015 Sustainability Report. This report results from more than a decade of demonstrated leadership in the development and implementation of sustainability programs across our portfolio. Our focus is on enhancing long-term shareholder value, and our sustainability initiatives are consistent with and support this objective.

Simon incorporates sustainable thinking into many of the areas of the business; from how we plan, develop and operate our properties, to how we do business with our customers, engage with our communities, and create a productive and positive work environment for our employees. Our sustainability framework has four key areas: Properties, Customers, Communities and Employees.

Energy consumption was identified as the most significant component of our carbon footprint from the very start of our sustainability journey. Because of that, energy management will continue to be a priority. Since 2003, we have seen a 32% reduction in energy consumption by improving our operations and incorporating sustainable methods into our business practices, including our ground-up developments. This focus has also significantly reduced our operating costs and contributed to enhancing shareholder value.

As integral members of the communities in which we operate, Simon strives to contribute to their social, environmental and economic well-being through philanthropy, environmental practices and job creation. Simon Youth Foundation, which helps at-risk students stay in school, has 22 academies - the majority of which are located in our malls in 13 states and has helped 13,000 high school students graduate to date. Employee and shopper contributions have also raised \$12 million dollars in scholarships that have been awarded to SYF graduates. We are proud of the long-lasting impact Simon Youth Foundation has had on creating pathways to brighter futures through education.

We understand that many of our stakeholders are interested in the steps we are taking both to improve our sustainability performance and measure them against industry standards. We are proud that Simon has been globally recognized for our energy efficiency programs and transparency in disclosure practices such as CDP and the Global Real Estate Sustainability Benchmark (GRESB).

I hope you will enjoy this report and look forward to any feedback you might have as we continue to deliver on our sustainability efforts.

  
**David Simon**

Chairman of the Board and Chief Executive Officer

December 2015

225 West Washington Street Indianapolis, IN 46204-3438  
SIMON.COM

ABOUT SIMON

Simon is a global leader in retail real estate ownership, management and development and an S&P 100 company (NYSE:SPG). Our industry-leading retail properties and investments across North America, Europe and Asia provide shopping experiences for millions of consumers every day and generate billions in annual retail sales.

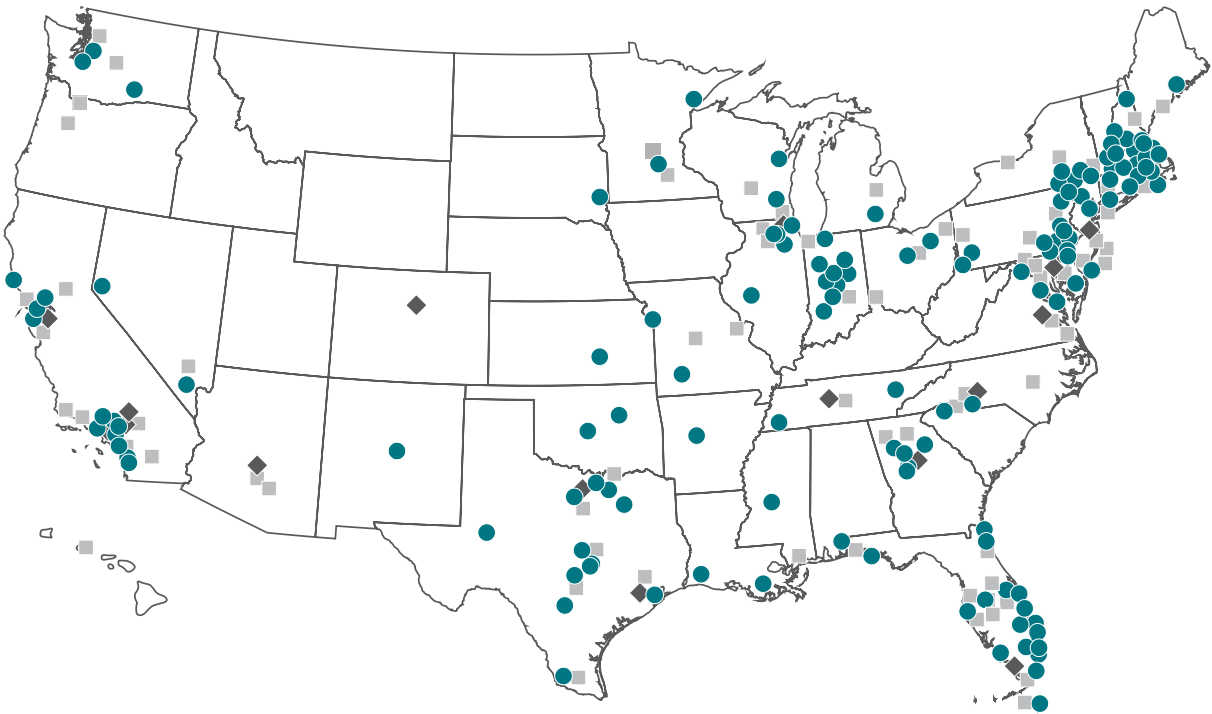
As of September 30, 2015, we owned or held an interest in 208 income-producing properties in the United States, which consisted of 109 malls, 69 Premium Outlets, 14 Mills, three lifestyle centers, and 13 other retail properties in 37 states and Puerto Rico. We improved our assets by adding well-conceived new products and redeveloping our existing portfolio. Over the last four years, Simon has invested \$710 million in new centers. These include three new Premium Outlets opened in 2014 and four newly opened Premium Outlets in 2015 in North America, a positive reflection of the growth, capacity and reach of the Premium Outlets platform. Simon continues to invest in many of the top properties to enhance our market position, to enrich the shopping experience for consumers and to reinforce Simon as the destination of choice for both our shoppers and our retailers.

	9/30/15	12/31/14
Consolidated Revenue	\$ 3,885	\$ 4,871
Funds from Operations (FFO)	\$ 2,705	\$ 3,235
FFO Per Share (Diluted)	\$ 7.46	\$ 8.90
New Income Per Share (Diluted)	\$ 4.04	\$ 4.52
Dividends Per Share <sup>1</sup>	\$ 6.05	\$ 5.15
Common Stock Price at Period End	\$ 183.72	\$ 182.11
Total Equity Capitalization	\$ 66,447	\$ 66,303
Total Market Capitalization	\$ 95,705	\$ 93,436

<sup>1</sup> 2015 Dividend includes dividend declared for Q4 2015

Additional information is available in the Annual Report at [simon.com/investors](http://simon.com/investors).

- Malls
- Simon Premium Outlets
- ◆ The Mills







## INTERNATIONAL PROPERTIES

Internationally, as of June 30, 2015, Simon has ownership interests in nine Premium Outlets in Japan, three Premium Outlets in South Korea, two Premium Outlets in Canada, one Premium Outlet in Mexico, and one Premium Outlet in Malaysia. Simon also has a noncontrolling ownership interest in a joint venture that holds five outlet properties in Europe.

Furthermore, Simon owns a 20.3% equity stake in Klepierre SA, a publicly traded, Paris-based real estate company, which owns, or has an interest in, shopping centers located in 16 countries in Europe.



## HIGHLIGHTS

Some highlights including key new developments and expansions are below:<sup>1</sup>

### 2014

- Opened Montreal Premium Outlets in Canada, a 365,000-square-foot center offering more than 80 outlet stores featuring high-quality designer and name brands.
- Opened Charlotte Premium Outlets in North Carolina with 100 stores totaling 400,000 square feet.
- Opened Twin Cities Premium Outlets, in Minneapolis/St. Paul, Minnesota with more than 100 stores encompassing 409,000 square feet.

### 2015

- Opened Vancouver Designer Outlet in Vancouver, British Columbia, Canada a 242,000-square-foot center featuring name brands.
- Completed a 265,000-square-foot expansion of Yeosu Premium Outlets, a highly productive center in Seoul, Korea.
- Completed Gloucester Premium Outlets, a 375,000-square-foot center in Gloucester, New Jersey.
- Opened Tampa Premium Outlets with 441,000-square feet of high-quality, name-brand stores.
- Completed Tucson Premium Outlets, a 366,000-square-foot center with more than 90 retailers.
- Completed a new two-level, 260,000-square-foot 'Fashion Wing' expansion at Del Amo Fashion Center, anchored by a new Nordstrom store.
- Completed a 185,000-square-foot expansion of San Francisco Premium Outlets as well as a 264,000-square-foot expansion at Chicago Premium Outlets, one of the country's most successful outlet centers.

<sup>1</sup> Info for 2014 and Q3 2015.

- Construction continues on other significant expansion projects including Roosevelt Field, Del Amo Fashion Center, King of Prussia, The Galleria in Houston and Woodbury Common Premium Outlets. Expansion of Sawgrass Mills is underway in Sunrise (Miami), Florida which includes an addition of 56,000 square feet to The Colonnade — the luxury outlet component of the leading shopping center in Florida.
- Construction started on two significant new development projects, The Shops at Clearfork in Fort Worth, Texas projected to open in February 2017 and a 355,000-square-foot upscale outlet center located in Columbus, Ohio projected to open in June 2016.
- Entered into a partnership to jointly develop the 500,000-square-foot retail component of Brickell City Centre in Miami, Florida, projected to open in September 2016.





## STAKEHOLDER ENGAGEMENT

Engaging with individuals and organizations allows Simon to better understand societal and environmental needs while identifying opportunities and addressing potential business challenges. Stakeholder engagement is particularly important for Simon’s sustainability initiatives because sustainability is a collective effort that benefits from consistent dialogue and collaboration. Through stakeholder engagement, we have been able to exchange ideas and improve insight into the needs of various stakeholders.

To determine key stakeholder groups, Simon performed a stakeholder analysis, in which we identified stakeholder groups, and discussed procedures for engaging with each stakeholder that can impact the Company’s sustainability strategy. The key stakeholder groups are listed below. Going forward, Simon will continue with its stakeholder assessment to further improve the overall sustainability performance.

STAKEHOLDER	LEVEL OF ENGAGEMENT	TYPE OF ENGAGEMENT
Investors	OL	In addition to our quarterly earnings calls and annual stockholder meeting, our Investor Relations team meets with existing and potential investors frequently to solicit their feedback and provide updates on business priorities and earnings results. Upon request, the Head of Sustainability provides updates on our sustainability progress.
Joint Venture Partners	OL	Our Partnership Relations team is exclusively focused on communicating with our joint venture partners to share information on the performance of jointly owned assets. Upon request, the Head of Sustainability provides updates on sustainability progress on joint venture properties.
Tenants	OL & AL	We regularly conduct meetings with our tenants to hear their feedback and increase their satisfaction in our facilities. It’s important for us to work collaboratively to further both Simon’s and our tenants’ sustainability goals. We work with tenants to pilot projects such as our plastic film recycling program.
Shoppers	OL & AL	To ensure our shoppers have an excellent shopping experience, we actively seek their feedback through shopper interviews at properties.
Communities and NGOs	OL, AL & PL	We work in close partnership with local, nonprofit organizations to provide philanthropic support to the communities in which we are active. In addition, we focus on providing education for at-risk students through our efforts with Simon Youth Foundation.
Suppliers	OL & PL	Operating sustainably is something we expect not just of ourselves, and we also work with our suppliers on our sustainability goals.
Employees	OL	Encouraging an ongoing two-way dialogue with our employees is vital to retaining our world-class talent. For example, the Simon Employee Association enables us to regularly communicate business priorities, performance results, and new initiatives while soliciting employee feedback.

OL: Organizational level    AL: Asset level    PL: Project level

## MATERIALITY

As part of Simon’s efforts to develop a strategic and performance-based approach to managing sustainability and aligning with GRI G4 guidelines, we conducted a materiality assessment in 2014 to identify key environmental, social and governance risks and opportunities for Simon. Key steps within Simon’s materiality assessment include the following:



### Step 1: Identify

Identify Simon’s key stakeholders and identify a list of potential topics through research (internal research and discussions, external sustainability channels such as research institutes, GRI Guidelines and benchmarking against peers) and stakeholder dialogue.



### Step 2: Analyze

Assess each topic in terms of its wider economic, environmental and social impact to understand its relevance to the business and stakeholders.



### Step 3: Validate

Discuss outcomes with relevant external and internal stakeholders through one-on-one meetings and group discussions.

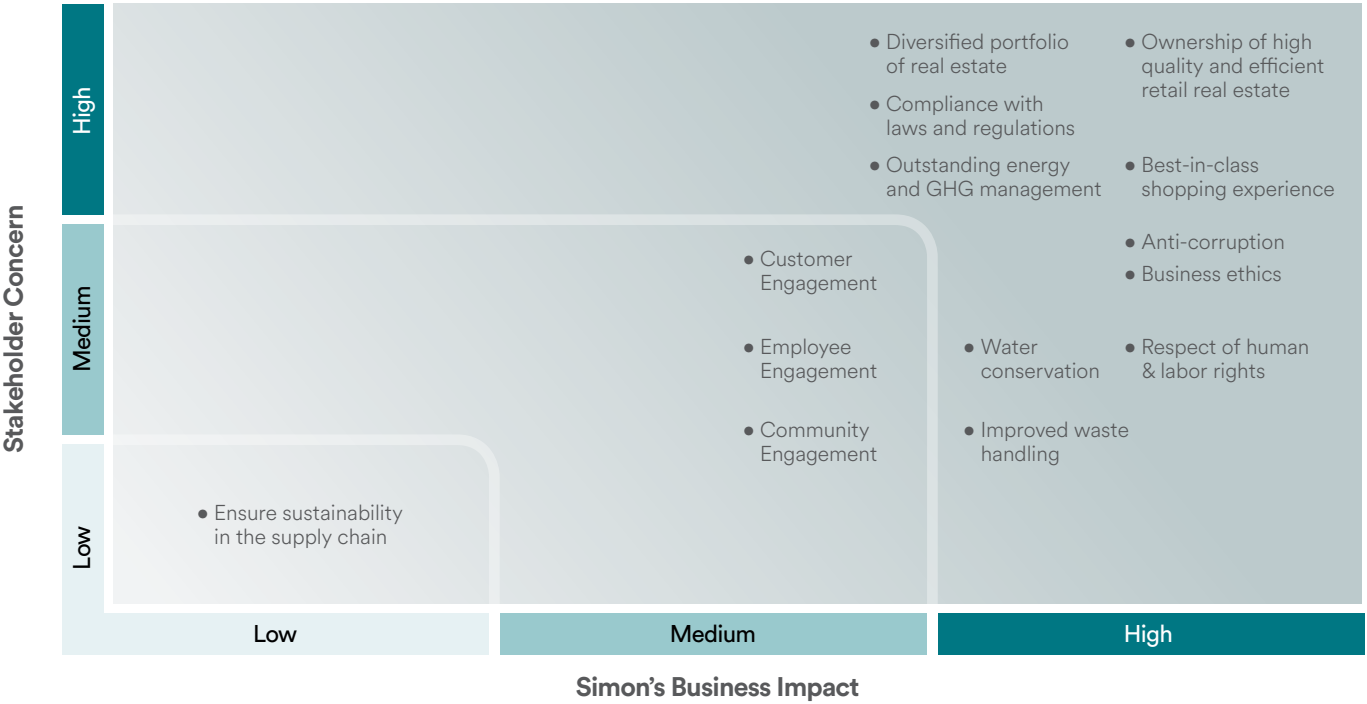


### Step 4: Prioritize

Prioritize material topics based on importance to Simon’s business strategy and stakeholder expectations. Include all the high priority topics in our long-term strategy and external reporting.

### Simon’s identified key material aspects

The chart below summarizes the most material topics Simon has identified during the 2014 materiality assessment. Going forward, Simon will update its materiality assessment in a timely manner to ensure any new topics are covered within our sustainability framework.



# SUSTAINABILITY FRAMEWORK

## Guiding Principle

For Simon, sustainability is a business approach that embraces opportunities and minimizes risks in the area of economic, environmental and social sustainability.

**Economic**

Assets in our properties are used in a productively and continue to promote business longevity.

**Environment**

Our actions will not have a negative impact on the environment and will serve to enhance the environment.

**Social**

Our interactions with the communities we serve facilitate an improved quality of life for communities.

### Focus Areas

Simon’s sustainability framework covers initiatives specified in terms of expected impact generated. Simon incorporates sustainable thinking into all areas of business from how we plan, develop and operate our properties, to how we do business with our customers, engage with our communities and create a productive and positive work environment for our employees. Simon’s sustainability priorities focus on four key pillars:

PROPERTIES	CUSTOMERS	COMMUNITIES	EMPLOYEES
Strive for efficiency in operating our properties with innovation solutions that lower operational and maintenance costs, in addition to reducing the environmental footprint of our activities.	Continuously anticipate our customers’ changing needs and evaluate our portfolio to enhance the Simon experience – the place where people choose to shop and retailers want to be.	Create meaningful social and economic impact to sustain the communities that allow our business to flourish. We are committed to being a responsible corporate citizen and build strong communities through development and engagement activities.	Strive for high levels of employees and through talent management, compensation and benefit programs we aim to create a culture to attract and retain the industry’s best talents to maximize our performance.

# SUSTAINABILITY GOALS

Over the past decade, Simon has established itself as a leader in sustainability. In 2014, we took major steps to solidify our sustainability framework and leadership team. Today we are proud to announce our sustainability goals in each of the four key framework areas.

PROPERTIES	CUSTOMERS	COMMUNITIES	EMPLOYEES
Improve GHG efficiency by 5%-10% by 2020 (base year 2013).	Engage with top 10 tenants on sustainability issues relevant to our shoppers to improve the overall sustainability performance of properties by 2018.	Continue our strong support for the Simon Youth Foundation by donating commercial space and millions of dollars each year to provide scholarships for SYF graduates.	Encourage Simon employees to volunteer in their communities.
Improve portfolio-wide energy efficiency by 5%-10% by 2020 (base year 2013).	Install Wifi at 90% of our properties by 2025.	Continue to participate in community engagement activities at 100% of our properties.	Continue to raise awareness of sustainability topics among all our employees by increasing employee engagement initiatives.
Improve portfolio-wide water efficiency by 20% by 2025 (base year 2013).	Introduce loyalty program in select malls by 2016 (baseline 2014).		
Expand plastic film recycling at select malls by 2017.	Provide children’s play area in 90% of our properties by 2020.		
Divert pre-consumer food waste from landfills at selected properties by 2020.	Provide electric vehicle charging stations for our customers at 100% of our properties by 2020. <sup>1</sup>		
Reuse or recycle 70% of construction waste generated during major renovations.			
Assess feasibility of on-site energy generation options for pilot programs in 2015-2016.			
Develop internal energy benchmarking tool to implement across enclosed malls.			

## Leadership in Sustainability

- We will continue to strive towards leading the real estate industry in the field of sustainability.
- We continue our efforts to maintain leadership positions with sustainability initiatives of the investment community (CDP and GRESB).
- Simon is dedicated to strengthen its sustainability communications by providing disclosure to our stakeholders on our sustainability vision, performance and ambition in the coming years.

<sup>1</sup> Applicable at locations where Simon has ownership of the parking lot facilities and where suppliers are available. Portfolio refers to all platforms Malls, Mills and Premium Outlets, where Simon has operational control.

ENERGY

Approach

Simon continuously seeks opportunities to develop, implement, and invest in sustainable practices that further our goal of minimizing operating costs, maximizing returns, and improving development and operating standards. Reducing our energy consumption is one such opportunity. Our dedicated Energy Services team manages our energy assets and pursues new solutions for energy efficiency.

Key examples of our energy management and improvement initiatives include technology upgrades, such as Central Plant and HVAC replacements, and investments in LED lighting and Energy Management Systems.

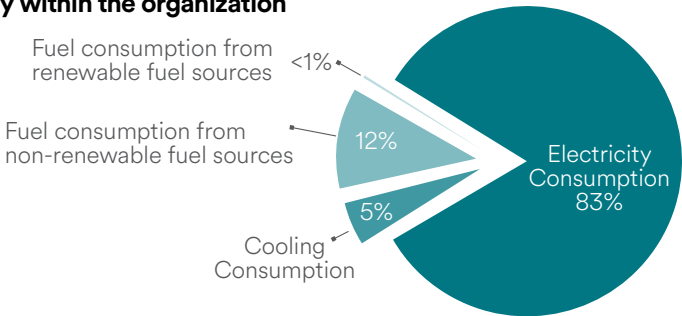
Furthermore, Simon continuously assesses the use of innovative sustainable technologies at our centers, including battery storage and technologies that improve efficiency and enable the use of renewable energy sources.

Our energy management efforts have been extremely effective over the last decade, significantly reducing our energy costs by millions of dollars yearly.

For more indicators on energy, GHG emissions, and information on methodologies used, refer to the Global Reporting Initiative Content Index in the appendix.

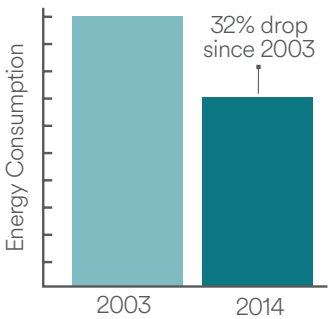
Metrics

Energy consumption by source of energy within the organization

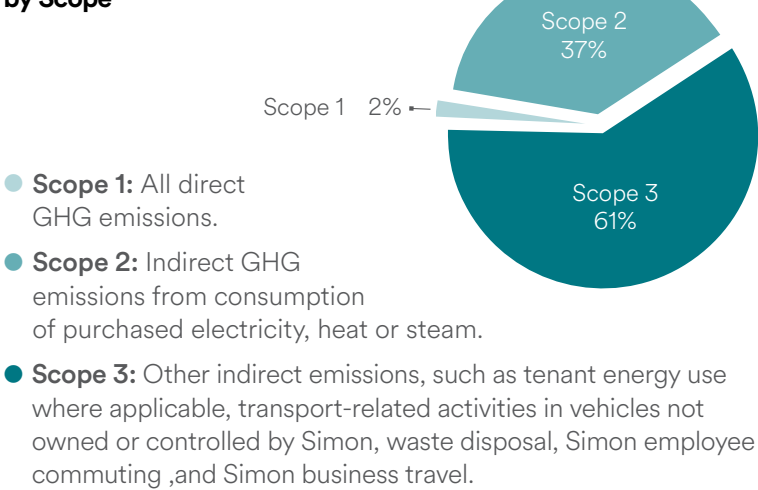


Reduction of energy consumption

Electricity is the major source of energy consumption at Simon. Since 2003, Simon has achieved a 32 percent reduction in electricity consumption.



Greenhouse Gas (GHG) Emissions by Scope



BATTERY STORAGE - TESLA AND SIMON'S INNOVATIVE COLLABORATION

In collaboration with Tesla Energy and Southern California Edison, Simon commissioned an energy storage system using Tesla's 1 megawatt / 2 megawatt-hour Powerpack at Brea Mall located in Brea, California. The Tesla Powerpack will enable Simon to store energy to manage peak power demand and reduce stress on the grid. Simon and Tesla Energy have finalized the design, and battery installation is expected to be complete in the coming months.



LEDs – SMALLER FOOTPRINT, SUPERIOR LIGHTING

As part of Simon's LED initiative, over the last years, significant investments were made to upgrade from conventional lighting such as fluorescent and metal halide to energy-efficient LED lighting. Not only do LEDs save energy over traditional forms of lighting, but they are also less cost-intensive to maintain, have a longer lifecycle, generate less heat, and provide better quality light for our retailers and customers for a superior shopping experience. For these reasons, Simon is committed to replacing all existing light fixtures to LEDs throughout its properties over the next several years. In partnership with industry-leading companies such as GE and Sensity, Simon will further explore opportunities to install smart networks and sensors to optimize LED lighting for both indoors and out.



ELECTRIC VEHICLES - SIMON'S EARTH DAY EV CARAVAN

On April 21, 2015, to commemorate Earth Day, Simon partnered with NRG eVgo to host a caravan of electric vehicles across the city of Atlanta. The caravan traveled to three Georgia properties that featured newly commissioned electric vehicle charging stations: Town Center at Cobb, Lenox Square and Mall of Georgia.

The event highlighted the infrastructure of charging stations in the greater Atlanta area and the range confidence it provides to the one in 60 car owners in Atlanta who have chosen electric vehicles. Each station includes DC fast chargers to provide 40 miles of range in as little as 15 minutes of charge.

Using shopping center locations to provide and expand the number of electric vehicle charging stations, not only in the Atlanta area but across the nation, allows Simon to stay committed to our sustainability efforts and to our stakeholders.





WATER

Approach

When analyzing the challenge of water scarcity, we recognize that both water quantity and quality are important elements to consider. Simon continues to actively understand, track, manage, and reduce its water footprint across the portfolio.

As a company, we are continuously pursuing innovative ways to conserve water use at our properties. During renovations, we replace older fixtures with high efficiency equipment, which also reduces operational costs. In 2014, we renovated 24 restrooms, adding low-flow toilets and sinks that can save an average of 30% in water consumption. Simon takes a proactive approach in identifying water leaks. We are also investigating methods to efficiently irrigate our landscape to reduce overall water consumption, such as planting native flora that have adapted to the local ecosystem, installing local drip-irrigation systems, upgrading to more efficient sprinkler heads, and capturing rainwater for reuse. Additionally, we are analyzing certain areas in our properties where we could eliminate irrigation completely through xeriscaping.

Metrics

Water Risk Assessment

Total water usage	2014
	m <sup>3</sup>
Municipal Water	12,238,130 m <sup>3</sup>

Simon regularly conducts water risk assessment to analyze potential water risks at properties from a variety of perspectives including physical risks, quantity and quality of available water, as well as regulatory and reputational risks. In the last year we have analyzed selected centers using World Resource Institutes’s water risk mapping tool Aqueduct. The results of the analysis indicated that the impact that water could have on our overall organization is relatively low, in comparison to other sectors that are more water-intensive. We will continue to track and manage our water usage to mitigate potential risks and reduce water costs at our centers.



For more indicators on water use, and information on methodologies used, refer to the Global Reporting Initiative Content Index in the appendix.

WASTE

Approach

Simon’s approach to waste management seeks to transform and influence decisions further up the waste management hierarchy. The vast majority of the waste produced at our properties is generated by our tenants, making collaboration with tenants essential to the success of recycling programs. During day-to-day operations, cardboard, plastics, plastic film and food are biggest sources of waste at our properties. We are continuously looking for opportunities to increase recycling and minimize landfill waste.

Metrics

Weight of waste by type and disposal method	2014
WASTE TYPE	METRIC TONS
Landfill	149,719
Recycling	630,202
Composting	638

Waste Generated During Expansions and Renovations

Waste is also generated at the properties during expansions and major renovations. Simon encourages general contractors to implement job-site recycling programs with a goal of diverting the project’s waste from landfills. Some examples of recycling rates from major redevelopments and expansions completed in 2014 are listed below:

- Del Amo Fashion Center (Phase II), Torrance, CA  
95% of materials recycled
- King of Prussia, King of Prussia, PA  
85% of materials recycled
- Houston Galleria , Houston, TX  
91% of materials recycled

For more indicators on waste handling, and information on methodologies used, refer to the the Global Reporting Initiative Content Index in the appendix.

SAN MARCOS PREMIUM OUTLETS  
TEAMS UP WITH TEXAS STATE  
STUDENTS FOR CREEK CLEANUP

Employees at San Marcos Premium Outlets in San Marcos, Texas decided to take action to clean up the litter blown into the Cottonwood Creek Reserve from the nearby interstate. The San Marcos Premium Outlets team reached out to Texas State University’s Bobcat Build, an organized community service program allowing students to give back to the community through cleanup projects. In March 2014, 20 students arrived to San Marcos and after six hours removed 40 bags of litter from the creek bed, significantly improving the condition of the reserve.



Approach

Our business is more than real estate. We are a company focused on building experiences for our customers and tenants. We continuously anticipate our customers’ changing needs and evaluate our portfolio to enhance the Simon experience – the place where people choose to shop and retailers want to be. For our guests, we provide distinctive shopping, dining, and entertainment options that transform our properties into lifestyle centers. Our centers offer convenient customer amenities such as electric vehicle charging stations, customer seating areas, phone charging areas, play areas for kids, nursing rooms, and free Wi-Fi availability. If guests have any inquiries, our Guest Services team is available to help, both in-person as well as online through our corporate website at [simon.com](http://simon.com). For our retailers, we offer the unique opportunity to thrive in the best real estate on the market with high quality properties that benefit from continuous investment. Simon brings decades of expertise when it comes to the development, ownership and management of our centers.

Roll Out of iBeacon Network to Enhance Shopping Experience

In 2014, Simon announced an agreement with Mobiquity Technologies, Inc., a leading technology company using location-based mobile solutions, to create “smart malls” using Bluetooth-enabled iBeacon technology. Simon has installed Beacons in 192 of our portfolio properties in North America.

Simon’s deployment of Mobiquity’s Mobi-Beacon network provides an innovative opportunity for customers to engage with retailers, brands and mall apps for timely and contextually-relevant personalized offers, information and real-time experiences.

We are constantly seeking ways to enhance the Simon shopping experience through relevant, leading-edge technology. Simon is pleased to help facilitate the growing adoption of iBeacon technology and we believe it is an important new initiative that will provide Simon, retailers and brands with interesting new ways to reach and communicate with shoppers who choose to opt in to the program.

Simon Venture Group Invests in the Future of Retail Real Estate

Simon has maintained its role as a leader in innovation through its venture capital arm, Simon Venture Group (SVG). SVG has typically made investments between \$250K-\$5M+ in early stage to high growth companies. Investments are focused on the future of both in-store and online retail, including retail tech, ecommerce, data analytics, logistics, and internet of things. SVG makes direct strategic investments that enhance the customer shopping experience as well as indirect strategic investments that help retailers solve their biggest challenges.

In September 2014, SVG announced Simon Launch as part of its ongoing commitment to invest in and accelerate the next-generation of retail technology startups. Simon Launch is a retail startup competition held in collaboration with Plug and Play, a global investor and technology accelerator. Ten finalists pitched their ideas to a panel of judges and three winners were chosen.

In addition, in March 2015, SBV hosted the “Future of Retail: Meet the Disruptors” competition at SXSW in conjunction with Decoded Fashion, a global event series that encourages entrepreneurship in the fashion and retail fields. Ten finalists presented at a special event at SXSW Festival’s Decoded Fashion Mentorship Hub.

What is the sustainability impact of consumers buying products online or in a mall?

Today shoppers have more choices than ever before from which to choose a wider variety of products and this change in shopping behavior is having significant societal, environmental and financial impacts. Simon is studying these aspects of online retail and comparing and contrasting the differences in impacts using a data-driven methodology. We will post our findings at [simon.com/sustainability](http://simon.com/sustainability).

RECYCLING PLASTIC PACKAGING AT CONCORD MILLS IN CONCORD, N.C

Before retailer goods are hung on a rack, the average apparel product arrives at retailer stores wrapped in individual plastic bags inside cardboard boxes. This ensures that clothing is clean, however, tons of plastic packaging waste is generated as a result.

Plastic film recycling comes with its challenges, part of the challenge is that plastic film materials are very low density, so hundreds of pounds of material need to be collected before a recycling partner will schedule a pickup.

Furthermore, a plastic film recycling program can only be done if there is the budget and space for additional equipment, such as balers that compress the plastic film into bales. A separate drop off and storage room is required to store the material until the waste handling pickup is scheduled. Even when these economic and operational challenges are overcome, the program will only work if the tenants are trained to separate the plastic film properly and drop it off in the plastic baler room.

Concord Mills in Concord, NC has demonstrated that these problems can be solved through careful planning and execution. The center’s management launched a plastic film recycling program three years ago. Through continued education and engagement, nearly all retailers participate in the plastic film recycling program today. On average, approximately 40 tons of plastic film is recycled each year at Concord Mills, significantly reducing the amount of waste going to landfill and improving the center’s environmental performance.





Approach

Simon malls are an integral part of the community, serving not only as places for shopping but for work, entertainment, dining and socializing. Each day, we work with a range of people, including shoppers, retailers, employees and contractors.

Simon aims to create meaningful social and economic impact to sustain the communities that allow our business to flourish. We are committed to being a responsible corporate citizen and build strong communities through development and engagement activities.

We continue to invest in our properties to make them community hubs that enrich the shopping experience and reinforce Simon as the destination of choice for both our shoppers and our retailers. In addition, we embed ourselves in the local culture by supporting and engaging with local, nonprofit organizations and community members in a range of activities throughout the year. Our overall community focus area is education, with other topics localized to the specific needs of each community.

A selection of community engagement examples are listed below:

The Mall at Tuttle Crossing Hosts 5K to Benefit Dress for Success

The Mall at Tuttle Crossing in Columbus, Ohio saw continued growth in its sixth annual Fitness and Fashion 5K walk in February 2015. The mall-wide event included live music, door prizes and participation from many mall retailers. The 5K benefits Dress for Success, a nonprofit organization that provides work-appropriate attire and career resources for low-income women seeking employment. A record 600 participants attended the event and donated a total of \$3,000 and three truckloads of clothing to the cause.

Oxford Valley Mall Encourages Recycling with Shredder Day Extravaganza

In an effort to encourage community members to securely recycle sensitive documents, Oxford Valley Mall in Langhorne, Pennsylvania collaborated with Inspire Federal Credit Union to host a Shredder Day Extravaganza in September 2014. Each person was allowed up to three boxes of materials that would be shredded and then recycled. The event drew even more participants than in previous years, with 350 vehicles coming to the event with materials to be shredded.

Kids Kick Off Summer Break at Town Center at Cobb

Town Center at Cobb in Kennesaw, Georgia hosted Safe and Fit Summer in June 2014 to encourage and equip kids to have a healthy summer break. This event was held in collaboration with the Simon Kidgits club, a free membership club for children ages 3-8 that focuses on health, wellness, education, safety and entertainment. 300 people participated and activities for the day that included a bounce house, music and games. Members of the Cobb County Police Department registered children’s fingerprints for parents and discussed safety tips such as bike and water safety.

A Celebration of Classical Music Hosted at Lenox Square

In March 2015, in celebration of the birthday of Johann Sebastian Bach, Lenox Square in Atlanta, Georgia hosted a free public concert by inviting the Atlanta Symphony Orchestra to perform at the mall. The Symphony performed an hour-long concert enjoyed by mall customers in the Neiman Marcus wing. This event provided an opportunity for a community organization to showcase their talents while also generating public interest in classical music and the arts.



Seith Bedard, principal at Simon Youth Peabody Learning Academy at Northshore Mall presents Nichole Kernweiss with an SYF Scholarship.



Simon Youth Foundation

Malls are not just places where community members meet to shop, dine and interact. For the last 17 years, they have also been where thousands of students go to school.

Simon Youth Foundation started in 1998 when Simon executives wanted to help public schools address a growing dropout crisis. SYF, a 501(c)(3) non-profit, was created to build classrooms inside shopping malls, providing a different and encouraging environment to teens who struggled in a typical school setting. These students, once on the verge of dropping out of school, now graduate from the Academies at a 90 percent rate. As of date, there are 22 Simon Youth Academies across the US, with 13,000 students earning their high school diplomas since 1998.

Simon’s ties to SYF run deep. In 2014, Simon employees donated more than \$500,000 through an employee contribution campaign. The company raised an additional \$2 million through events, collecting change and asking for donations at Guest Services.

Simon Property Group has centers all over the country, and through SYF’s Academies and Scholarship programs, Simon gives back to create brighter futures for teens and young adults.

SYF awards about \$1 million in scholarships each year. Any student in America who lives within 50 miles of a Simon mall is eligible to apply for a Simon Youth Community Scholarship.

One SYF success story is Nichole Kernweiss. Nichole, chronically ill since the age of three, missed nearly 100 days of high school due to her health. The Simon Youth Peabody Learning Academy at Northshore Mall was her last hope.

The Academy staff was able to help Nichole complete her diploma. She also received a scholarship valued at \$31,000 over four years to pursue a degree in nursing.





Approach

Our employees are our most important asset and the key driver of Simon’s business success.

Simon’s Human Resources (HR) strategy is aligned with our business priorities and core values. We design all HR activities and programs around attracting, retaining, developing, engaging, and enabling our employees. Simon’s HR priorities include:

- **Talent Acquisition**  
Provide exceptional talent acquisition in order to attract top talent for Simon.
- **Talent Management**  
Enhance the organizational effectiveness through talent programs that drive performance, development, and engagement.
- **Culture**  
Foster a culture that aligns with our core values, drives employee engagement, and maximizes performance through development, empowerment, and recognition.
- **Total Rewards**  
Develop and maintain compensation and benefit programs that align with and support the long-term goals of our business and that reward employees for value-added service. We strive for high levels of quality, compliance, and employee satisfaction.

Total Number of Employees			
	FEMALE	MALE	TOTAL
Home Office	784	658	1,442
Field Employees	2,045	2,042	4,087
Total Employees (Full and part time)			5,529

Tenure Distribution		
TENURE DISTRIBUTION	TOTAL FULL TIME EMPLOYEES	% DISTRIBUTION
< 5 Years	1,678	49%
5-10 Years	798	23%
10-15 Years	381	11%
15-20 Years	288	8%
20+ Years	311	9%
Total	3,456	100%

Simon participates in Environment Defense Fund (EDF) climate corp fellowship program

EDF Climate Corps is a well recognized fellowship program from Environmental Defense Fund, pairing top graduate students from around the country with organizations to support their sustainability initiatives. After completing a rigorous training program, fellows are placed within organizations for the summer dedicated to identifying scalable solutions with long-term financial and environmental benefits.

Sisi Zhu, our EDF Climate Corps fellow for summer 2015, comes from Columbia University Master’s program in Sustainability Management. During her fellowship, Sisi has helped evaluate multiple investment projects, identifying over a million dollars in potential savings for Simon’s properties.

About Environmental Defense Fund  
Environmental Defense Fund (EDF), a leading international nonprofit organization, creates transformational solutions to the most serious environmental problems. EDF links science, economics, law and innovative private-sector partnerships.

“It’s been an amazing opportunity to learn about the major innovations, success stories, and challenges that REITs face in the sustainability space. Putting the knowledge from my degree and EDF Climate Corps training into action, I’ve prepared analyses, budgets, and plans that pave the way for Simon to reach beyond the low-hanging fruit, to lead the retail real estate industry in sustainability best practices.”

Sisi Zhu, EDF Climate Corps Fellow 2015

SIMON’S EMPLOYEE LEADERSHIP PROGRAMS

The Advanced Leadership Program (ALP) was launched in 2015 to support Simon’s commitment to developing and retaining our brightest talent.

The ultimate goal of ALP is to prepare today’s leaders to guide our organization into the future. ALP is an intensive learning experience designed to broaden the strategic thinking and general business acumen of our high potential leaders and equip them with the critical leadership skills needed to assume roles of increased responsibility at Simon.

Through a year of rewarding experiences and intense training on and off the job, this cohort learning program is focused on providing the knowledge and skills needed to make the transition from a high performing mid-level manager to executive leader of a business function.

In addition to the ALP, Simon has designed Simon’s Emerging Leaders Program (ELP) for team members who aspire to one day assume a leadership role, the program equips the company’s high potential employees with the foundational skills needed to make the transition from strong individual performers to becoming an effective leader. The ELP curriculum focuses on personal assessment, targeted leadership development, and the acquisition of critical Simon-specific business acumen.

## SUSTAINABILITY GOVERNANCE

Simon's Sustainability Office is led by the Senior Director of Sustainability, who, under the direction of the Sustainability Executive Committee, is responsible for developing the company's sustainability strategy, including setting key performance indicators, driving progress through partnerships and working closely with other functions and teams to implement initiatives.

The Sustainability Executive Committee is a team of cross-functional executives from various functions such as Development and Construction, Property Management, Leasing, Marketing and Finance. The Committee meets 2-3 times a year and sets strategic direction for sustainability and provides counsel and executive oversight of sustainability initiatives. At the corporate level, the Sustainability Executive Committee supports the Sustainability Office in executing sustainability initiatives within the organization. At the local level, the sustainability field network is responsible for creating and implementing action plans to carry out Simon's sustainability efforts.



“Through the support of senior executives, Simon has integrated sustainability throughout different levels of the organization and the company is well equipped to address opportunities and challenges around social, governance and environmental topics.”

Mona Y. Benisi, Senior Director of Sustainability

## RECOGNITION

Simon has consistently earned recognition for its sustainability disclosure and performance such as the awards listed below:

### CDP

- Listed on CDP's S&P 500 Climate Disclosure Leadership Index for the seventh year
- Included on CDP's Climate Disclosure Performance Index, reaching the top 'Band A' performance level for the second consecutive year
- Named on The Climate "A" List by CDP for the second consecutive year and has been awarded '100 A', the highest score



CDP is a nonprofit organization that provides the largest collection globally of self-reported climate change data and works with 767 institutional investors, holding \$92 trillion in assets to help reveal the risk in their investment portfolios.

### Global Real Estate Sustainability Benchmark (GRESB)

- Received Green Star rating, the highest designation awarded by GRESB in 2014 and 2015.
- Recognized as the North American Sector Leader in Retail by GRESB for four consecutive years 2010-2013.



GRESB is an industry-driven organization committed to assessing the sustainability performance of real estate portfolios around the globe. The benchmark is used by institutional investors with the intention of improving the sustainability performance of their investment portfolios.

### National Association of Real Estate Investment Trusts (NAREIT)

- Received NAREIT Leader in the Light Award eight times between 2002-2012.
- NAREIT is the worldwide voice for REITs and publicly traded real estate companies with an interest in U.S. real estate and capital markets.



The Leader in the Light Award recognizes member companies that have demonstrated superior energy practices and is watched closely by many of the world's largest institutional investors.

### Other recognitions:

- Named Fortune's Most Admired Real Estate Company in 2013
- Best-Performing CEOs in the World – Harvard Business Review, 2013 and 2014
- World's Best CEOs – Barron's 2013
- Simon Venture Group received Corporate Contributions and Leadership Awards from the Global Connections for Women Foundation in partnership with the United Nations Foundation and Women Entrepreneurship Day
- Simon's proprietary Comprehensive Emergency Response Plan (CEMP) certified by the Department of Homeland Security

APPENDIX

Global Reporting Initiative Content Index

Assurance Statement

GLOBAL REPORTING INITIATIVE CONTENT INDEX

GENERAL STANDARD DISCLOSURE

STRATEGY AND ANALYSIS		REFERENCE
G4-1	CEO statement	<i>Letter from Our CEO</i>
G4-2	Description of key impacts, risks, and opportunities	<i>Letter from Our CEO</i>
CRE	Description of approach to the construction of new assets versus retrofits, upgrades, and refurbishments, and the effect this has on impacts, risks, and opportunities	CDP Report 2015

ORGANIZATIONAL PROFILE		REFERENCE
G4-3	Name of the organization	<i>About Simon</i>
G4-4	Primary brands, products, and services	<i>About Simon</i>
G4-5	Location of organization's headquarters	<i>About Simon</i>
G4-6	Number and name of countries where the organization operates	<i>About Simon</i>
G4-7	Nature of ownership and legal form	<i>About Simon</i>
G4-8	Nature of markets served	<i>About Simon</i>
G4-9	Scale of the reporting organization (employees, operations, net sales, capitalization, quantity of products/services)	Simon Annual Report 2015
CRE	Gross lettable area for assets under construction and management and vacancy rate.	Occupancy as of 9/30/15 for Simon U.S. Malls and Premium Outlets was 96.1% and occupancy for The Mills was 98.6%.

Under reference, italic print refers to sections within this report.



ORGANIZATIONAL PROFILE		REFERENCE
G4-10	Company info <ul style="list-style-type: none"><li>• Total number of employees by employment contract and gender</li><li>• Total number of permanent employees by employment type and gender</li><li>• Total workforce by employees and supervised workers and by gender</li><li>• Report the total workforce by region and gender</li><li>• Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors</li><li>• Report any significant variations in employment numbers</li></ul>	<i>Employees</i> At December 31, 2014, Simon and its affiliates employed approximately 5,250 persons at various properties and offices throughout the United States, of which approximately 1,850 were part-time. Approximately 1,100 of these employees were located at our corporate headquarters in Indianapolis, Indiana. No significant variations in employment numbers have occurred.
CRE	Supervised workers include contractors and sub-contractors delivering projects and building services. Report the total workforce by other diversity groups, and contract type (full-time and part-time workers)	Simon uses a large number of vendors and contractors. A full list of them is beyond the scope of this report.
G4-11	% of total employees covered by collective bargaining agreements	Simon employees are not unionized. Therefore, there are no collective bargaining agreements in place.
G4-12	Describe the organization's supply chain	Simon's purchasing fall into several categories including janitorial, office, materials, repairs and operations, construction, energy, utilities, and other areas. We have over 3000 suppliers we do business with annually from local operations to national companies.
G4-13	Significant changes from previous report regarding size, structure, ownership, or supply chain	No significant changes during reporting period.

COMMITMENTS TO EXTERNAL INITIATIVES		REFERENCE
G4-14	Report how the precautionary approach or principle is addressed by the organization	Simon's approach to development is focused on prevention and is rather precautionary. Social and environmental considerations are incorporated into design and development processes to ensure our properties are resilient and deliver long-term shareholder value.
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	<i>Recognition</i>
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization	<ul style="list-style-type: none"><li>• Business Round Table (BRT): Simon is a member of BRT and has made public presentations on various sustainability topics such as the benefits of PACE.</li><li>• Real Estate Round Table (RER): As a member of RER, Simon is leading the discussion in proposing changes to the CBECS process to help ensure a more robust data collection effort. Simon supported efforts to make Section179D of the Internal Revenue Code tax incentive usable for a broader range of real estate owners and other stakeholders.</li><li>• International Council of Shopping Centers: Rick Sokolov, Simon President &amp; COO, is on the Board of Trustees and Michael McCarty, EVP Development Operations, is on the Board of Directors.</li><li>• Member of National Association of Real Estate Investment Trusts (NAREIT) and Sustainability Accounting Standards Board (SASB) working group for Real Estate Owners, Developers &amp; Investment Trusts</li></ul>

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		REFERENCE
G4-17	All entities included in the organization’s consolidated financial statements and if any of these are not covered in the report	Simon defines its organizational boundary conditions consistent with the Greenhouse Gas Protocol, according to the control approach which means the scope of Simon’s organizational boundaries includes locations in the company’s ownership or under its control. This is the most appropriate organizational boundary for Simon because it reflects where Simon can influence decisions that impact the company’s sustainability performance.
G4-18	Process for defining report content and aspect boundaries	<i>Stakeholder Engagement &amp; Materiality</i>
G4-19	List all material aspects identified in the process for defining report content	<i>Stakeholder Engagement &amp; Materiality</i>
G4-20	For each material aspect report the boundary within the organization	<i>Stakeholder Engagement &amp; Materiality</i>
G4-21	For each material aspect, report the aspect boundary of the report outside the organization	<i>Stakeholder Engagement &amp; Materiality</i>
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	N/A
G4-23	Report significant changes from previous reporting periods in the scope and aspect boundaries	N/A
STAKEHOLDER ENGAGEMENT		REFERENCE
G4-24	Provide a list of stakeholder groups engaged by the organization	<i>Stakeholder Engagement &amp; Materiality</i>
CRE	Identify and report those stakeholder groups that are engaged at the organizational level and those that are engaged at a project or asset level	<i>Stakeholder Engagement &amp; Materiality</i>
G4-25	Basis for identification and selection of stakeholders with whom to engage	<i>Stakeholder Engagement &amp; Materiality</i>
G4-26	Report the organization’s approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	<i>Stakeholder Engagement &amp; Materiality</i>
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting stakeholder groups that raised each of the key topics and concerns	Simon is in the process of further developing our stakeholder engagement strategy. <i>Sustainability Goals</i>

REPORT PROFILE		REFERENCE
G4-28	Reporting period	<i>About this Report</i>
G4-29	Date of most recent previous report	Simon Sustainability Report 2014 available at <a href="http://simon.com/sustainability">simon.com/sustainability</a> .
G4-30	Reporting cycle	Biennial
G4-31	Contact point for questions regarding the report or its contents	<i>About this Report</i>
G4-32	Report the ‘in accordance’ option the organization has chosen, the GRI Content Index for the chosen option and report the reference to the External Assurance Report, if the report has been externally assured	<i>About this Report</i>
G4-33	Policy and current practice with regard to seeking external assurance for the report	Lucideon CICS Inc. engaged with Simon to perform an independent, third party limited assurance of Simon’s greenhouse gas assertion for calendar year 2014.
GOVERNANCE		REFERENCE
G4-34	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight (Identify any committees responsible for decision-making on economic, environmental and social impacts)	<i>Sustainability Governance</i> Simon Annual Report 2015 Part III Proxy Statement 2015
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	<i>Sustainability Governance</i>
G4-36	Reporting cycle	<i>Sustainability Governance</i>
G4-37	Contact point for questions regarding the report or its contents	<i>Sustainability Governance</i> Simon Annual Report 2015 Part III Proxy Statement 2015
G4-38	Composition of the highest governance body and its committees by: (e.g. executive or non-executive/independence/tenure on the governance body Number of each individual’s other significant positions and commitments, and the nature of the commitments/gender/membership of under-represented social groups/competences relating to economic, environmental and social impacts/stakeholder representation)	Simon Annual Report 2015 Part III Proxy Statement 2015
G4-39	Indicate whether the chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization’s management and the reasons for this arrangement)	Simon Annual Report 2015 Part III Proxy Statement 2015

ETHICS AND INTEGRITY		REFERENCE
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Simon company website for Simon core values: careers.simon.com/corevalues.aspx
		Simon's Code of Business Conduct & Ethics guidelines lay out the ethical principles and policies created to deal with issues such as bribery, investments, political contributions, equal employment opportunity, confidentiality, and proprietary information. Simon is committed to being a responsible and law abiding citizen and all employees are to abide by these principles.
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity	Code of conduct training is completed by all employees. Managers are encouraged to discuss ethics and integrity topics with employees on a regular basis.
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	Simon's Code of Business Conduct & Ethics guidelines describes the means and methods by which employees are expected to report to potential violations. These include reporting to employees' immediate supervisors, or reporting anonymously through a twenty-four hour, year-round fraud hotline.

SPECIFIC STANDARD DISCLOSURE

Economic			
GRI INDICATOR	DESCRIPTION	REFERENCE	UNIT OF MEASUREMENT
G4-EC1	Direct economic value generated and distributed	Annual Report 2015	
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Simon CDP Report 2015	
Environment			
Energy			
GRI INDICATOR	DESCRIPTION	REFERENCE	UNIT OF MEASUREMENT
G4-DMA	Disclosure on management approach	Energy	
EN 3 ENERGY CONSUMPTION WITHIN THE ORGANIZATION			
A	Total fuel consumption from non-renewable sources (includes diesel, gasoline, natural gas, and propane)	387,112	GJ
B	Total fuel consumption from renewable fuel sources (includes ethanol blends such as E10 and E85)	3,366	GJ
C	Breakdown of total consumption		
	Electricity consumption	2,663,064	GJ
	Cooling consumption	146,276	GJ
	Steam consumption	0	GJ
D	Energy sold	N/A	
E	Total energy consumption	3,199,819	GJ
F	Standards, methodologies, and assumptions used	Methodology	
G	Source of the conversion factors used	Methodology	
EN 4 ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION			
A	Energy consumed outside of the organization (Excludes fuels from employee commuting. Available for downstream leased assets and rental vehicles)	3,646,617	GJ
B	Standards, methodologies, and assumptions used	Methodology	
C	Source of the conversion factors used	Methodology	

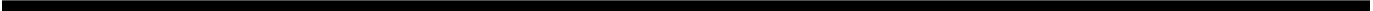
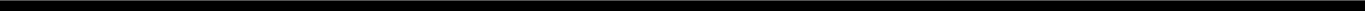


Environment			
Energy			
GRI INDICATOR	DESCRIPTION	REFERENCE	UNIT OF MEASUREMENT
EN 5	ENERGY INTENSITY		
A	Energy intensity rates	0.0535	GJ/ft²
B	Organization-specific metric/ratio denominator chosen to calculate ratio	ft²	
C	Types of energy included in the intensity ratio (such as fuel, electricity, heating, cooling, steam, or all)	All	
D	Report whether the ratio uses energy consumed within the organization, outside of it or both	Within the organization	
EN 6	REDUCTION OF ENERGY CONSUMPTION		
A	Amount of reduction in energy consumption achieved	42,066	MWh
B	Types of energy included in the reductions	Electricity	
C	Basis for calculating reductions in energy consumption	This includes year-over-year reductions based on specific efficiency initiatives performed by Simon.	
D	Standards, methodologies, and assumptions used	Excludes portfolio-wide organic growth.	
CRE 1	BUILDING ENERGY INTENSITY		
A	Building energy intensity	0.0535	GJ/ft²

Environment			
Water			
GRI INDICATOR	DESCRIPTION	REFERENCE	UNIT OF MEASUREMENT
G4- DMA	Disclosure on management approach	Water	
EN 8	TOTAL WATER WITHDRAWAL BY SOURCE		
A	Total volume of water withdrawn from the following sources Surface water (e.g., wetlands, rivers, lakes, oceans), ground water, rainwater, waste water from another organization  Municipal water	N/A  12,238,130	  m³
B	Standards, methodologies, and assumptions used	Methodology	
EN 9	WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER		
A	<ul style="list-style-type: none"><li>• Total number of water sources significantly affected by withdrawal by type</li><li>• Size of water source and whether or not the source is designated as a protected area (nationally or internationally)</li><li>• Biodiversity value and value or importance of water source to local communities and indigenous people.</li></ul>	The regulatory process requires Simon to grant permission from government authorities to extract water from water bodies. The authorities determine level of significance based on each development application. If water source is deemed to be significantly affected then developments are unlikely to gain approval.	
B	Standards, methodologies, and assumptions used	Methodology	
EN 10	PERCENTAGE & TOTAL VOLUME OF WATER RECYCLED AND REUSED		
A	Total volume of water recycled and reused by the organization	During construction, water is captured and reused on site; however, this is managed by the civil contractor, Simon does not have control or visibility into the percentage or total volume reused.	
B	Total volume of water recycled and reused as a percentage of the total water withdrawal reported under indicator G4-EN8	During operation, Simon sometimes collects water for reuse in watering public open spaces; however, we do not record the total volume captured.  While we continue to explore the potential of connecting to a sewage recycling facility to provide recycled water to certain projects, we do not have control or visibility of the total volume recycled/reused once plumbing is in place.	
C	Standards, methodologies and assumptions used		
CRE 2	BUILDING WATER INTENSITY		
A	Building water intensity	0.2012	m³

Environment			
Greenhouse Gas (GHG) Emissions			
GRI Indicator	Description	Reference	Unit of Measurement
G4- DMA	Disclosure on management approach	Energy	
EN 15	Direct GHG Emissions (Scope 1)		
A	Direct GHG Emissions (Scope 1)	24,652	Metric tons CO <sub>2</sub> -e
B	Gases included in the calculation	For mobile fuels: CO <sub>2</sub> ; For all stationary fuels: CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	
C	Biogenic CO <sub>2</sub> emissions in metric tons of CO <sub>2</sub> equivalent separately from the gross direct GHG emissions	224	Metric tons CO <sub>2</sub> -e
D	Base year	2003	
E	Standards, methodologies, and assumptions used	Methodology	
F	Source of the emission factors and global warming potentials (GWP) rates used	Methodology	
G	Consolidation approach for emissions	Operational control	
EN 16	Energy Indirect GHG Emissions (Scope 2)		
A	Energy indirect GHG Emissions (Scope 2) Independent of any GHG trades, such as purchases, sales, or transfers of offsets/allowances	390,884	Metric tons CO <sub>2</sub> -e
B	Gases included in the calculation	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	
C	Base year	2003	
D	Standards, methodologies, and assumptions used	Methodology	
E	Source of emission factors and global warming potential (GWP) rate used	Methodology	
F	Consolidation approach for emissions	Operational control	

EN 17	Other Indirect GHG Emissions (Scope 3)		
A	Other Indirect (Scope 3) GHG emissions Excluding indirect emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organization	637,669	Metric tons CO <sub>2</sub> -e
B	Gases included in the calculation	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O - less mobile fuels and emissions from waste (CO <sub>2</sub> only)	
C	Biogenic CO <sub>2</sub> emissions in metric tons of CO <sub>2</sub> equivalent separately from the gross indirect GHG emissions	1,439	Metric tons CO <sub>2</sub> -e
D	Other Indirect (Scope 3) GHG emissions Excluding indirect emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organization	N/A	
E	Base year	2005	
F	Standards, methodologies, and assumptions used	Methodology	
G	Source of the emission factors and the global warming potential (GWP) rates used	Methodology	
EN 18	GHG Emission Intensity from Buildings		
A	GHG emission intensity ratio	0.0072	Metric tons CO <sub>2</sub> -e/ft <sup>2</sup>
B	Organization-specific metric/ratio denominator chosen to calculate the ratio	ft <sup>2</sup>	
C	Types of GHG emissions included in the intensity ratio	Scope 1 & Scope 2	
D	Gases included in the calculation	Material gases - CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	
EN 19	Reduction of Greenhouse Gas (GHG) Emission		
A	Amount of GHG emissions reductions achieved as a direct result of initiatives to reduce emissions	213,741	Metric tons CO <sub>2</sub> -e
B	Gases included in the calculation	Material gases - CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	
C	Base year	2003	
D	Standards, methodologies, and assumptions used	Excludes solid waste, refrigerants, and downstream leased assets (“Additional Sources”) including organic growth.	
E	Types of GHG emissions included	Scope 1 and Scope 2	



Environment			
Waste			
GRI INDICATOR	DESCRIPTION	REFERENCE	UNIT OF MEASUREMENT
G4- DMA	Disclosure on Management Approach	Waste	
EN 23	TOTAL WEIGHT OF WASTE BY TYPE & DISPOSAL METHOD		
A	Total weight of hazardous and non-hazardous waste, by the following disposal methods		
	Reuse:	N/A	
	Recycling:	630,202	Metric tons
	Composting:	638	Metric tons
	Recovery, including energy recovery:	N/A	
	Incineration:	N/A	
	Deep well injection:	N/A	
	Landfill:	149,719	Metric tons
	On-site storage:	N/A	
	Other:	N/A	
B	Report on how the waste disposal method has been determined	Waste survey conducted	
	Disposed of directly by the organization or otherwise directly confirmed	No	
	Information provided by the waste disposal contractor	Yes	
	Organizational defaults of the waste disposal contractor	No	
C	Standards, methodologies, and assumptions used	Methodology	

Social		
Local Communities		
GRI INDICATOR	DESCRIPTION	
G4- DMA	Disclosure on Management Approach	Communities
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	100% - All Simon properties have specific community involvement plans. Environmental impact assessments for all projects are undertaken in order to gain development approval.
G4-SO2	Operations with significant actual or potential negative impacts on local communities	No Simon operation has been identified as having significant actual or potential negative impacts on local communities. Potential negative impacts are typically identified and in the planning and approval phase and tackled in accordance to local laws and regulations.
CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project	Simon's developments have not required the displacement or resettlement of people.
Employment		
G4- DMA	Disclosure on Management Approach	Employees
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	Employees
G4-LA2 Real estate required	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Simon's part-time employees are covered by the same benefit policies as full-time employees. Temporary employees are not covered by these policies but receive remuneration and entitlements as specified in their individual employment contracts.



METHODOLOGY

Energy

Simon’s GHG inventory is consistent with the principles and guidance of the World Resources Institute (WRI) and the World Business Council for Sustainable Development’s (WBCSD) Greenhouse Gas Protocol Initiative (GHG Protocol) for corporate GHG accounting and reporting.

Simon defines its organizational boundary conditions consistent with the GHG Protocol according to the “control approach”. This mean’s the scope of Simon’s organizational boundaries includes locations in the company’s ownership or under its control where Simon has responsibility of GHG emissions from these locations. The “control approach” is the most appropriate organizational boundary for Simon because it reflects where Simon can influence decisions that impact GHG emissions. Facilities included in Simo’ns boundary include retail properties and office buildings.

Emission Factors

All methodologies are based on guidance from the GHG Protocol. Emission factors are from governmental and non-governmental organizations’ sources include the United States Environmental Protection Agency (EPA), Climate Registry, International Energy Agency (IEA), Department for Environment Food and Rural Affairs (DEFRA), Climate Leaders, and U.S. Energy Information Administration (EIA).

Water

Simon’s inventory is consistent with the way inventory for energy and GHG emissions are compiled, whereas Simon defines its organizational boundary conditions with the GHG protocol according to the operational control approach. Therefore, the same boundary has been utilized for water data.

The only limitation in the data collection process was in regards to purchases made directly by the tenant as this information is currently not available for reporting purposes.

A small portion of Simon’s sites were excluded based on accuracy of the information – this comprised roughly 12% of Simon’s overall portfolio. Simon is continuing to work with the appropriate parties in order to ensure comprehensive reporting moving forward.

Waste

Simon’s waste reporting is limited to properties that are only within Simon’s operational control, similar to how energy and GHG data is compiled. A small portion of our facilities were unable to provide solid waste information (~3%). Simon will continue to establish processes and engage stakeholders to increase the comprehensiveness of the recycling data.

ASSURANCE STATEMENT

To the Executive Management Team and Shareholders of Simon Property Group

Verification of Simon Property Group’s 2014 Greenhouse Gas Emissions:

In 2015, Lucideon CICS Limited engaged with Simon Property Group to perform an independent, third party limited assurance of Simon Property Group’s greenhouse gas (GHG) assertion for submission to the Carbon Disclosure Project (CDP) for calendar year 2014 detailing the total reported emissions for Scopes 1 (Direct), 2 (Indirect) and 3 (Other Indirect) which is equivalent to the GRI G4 specific standard disclosures EN15 , EN16, and EN17.

Lucideon CICS Limited performed several tasks to provide the limited assurance of the GHG assertion for calendar year 2014 pursuant to the ISO 14064-3 verification standard. These tasks included evaluation of conflict of interest to ensure the risk of verifier bias was low, reviewing scope of verification and boundaries, developing a verification plan pursuant to ISO 14064-3 (Specification with guidance for the validation and verification of greenhouse gas assertions), developing a sampling plan and testing of reported data and calculations against underlying data pursuant to the verification and sampling plan.

Lucideon CICS Limited developed the verification and sampling plans based on a risk evaluation of the GHG data per source type considering inherent risks, control risks, and detection risks, such that the plan was designed to minimize the risk of failing to detect material errors. A five percent (5%) materiality threshold was established and met.

A positive verification opinion was provided to Simon Property Group for the emissions under the Carbon Disclosure Project.

David Robinson  
Assurance Services Manager





225 West Washington Street Indianapolis, IN 46204 317 636 1600 [simon.com](http://simon.com)

Simon is a global leader in retail real estate ownership, management and development and an S&P 100 company (Simon Property Group, NYSE:SPG).